

VZCZCXRO4484

PP RUEHAG RUEHAST RUEHBI RUEHCI RUEHDBU RUEHDF RUEHIK RUEHLH RUEHLN
RUEHLZ RUEHNEH RUEHPW RUEHROV RUEHSK RUEHSL RUEHSR RUEHVK RUEHYG
DE RUEHAH #0924/01 2040930
ZNR UUUUU ZZH
P 230930Z JUL 09
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC 3185
INFO RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RHEBAA/DEPT OF ENERGY WASHDC PRIORITY
RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 5463
RUEHBJ/AMEMBASSY BEIJING 3187
RUEHKO/AMEMBASSY TOKYO 3052
RUEHIT/AMCONSUL ISTANBUL 3707
RUCNDT/USMISSION USUN NEW YORK 1066
RHMCSUU/CDR USCENTCOM MACDILL AFB FL
RUEHVEN/USMISSION USOSCE 3741
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC

UNCLAS SECTION 01 OF 02 ASHGABAT 000924

SENSITIVE

SIPDIS

STATE FOR SCA/CEN; EEB
ENERGY FOR EKIMOFF/THOMPSON
COMMERCE FOR HUEPER

E.O. 12958: N/A

TAGS: [EPET](#) [PGOV](#) [EINV](#) [TX](#)

SUBJECT: U.S. FIRM ASPECT ENERGY PURSUING BUSINESS
OPPORTUNITIES IN TURKMENISTAN

REF: ASHGABAT 908

11. (U) Sensitive but unclassified. Not for public Internet.

12. (SBU) SUMMARY: Aspect Energy, a U.S. energy exploration and investment company, has been persistent in attempting to enter the Turkmen market over the past year. The company unsuccessfully bid for a license to explore and develop the offshore Block 23 located in Turkmenistan's sector of the Caspian Sea. Despite this first negative experience, the company has pressed on with its efforts and is now discussing the possibility of providing services on a contractual basis to Turkmen state energy companies. END SUMMARY.

13. (SBU) Aspect Energy began its attempts to enter the Turkmenistan market in 2008 and designated a local representative to coordinate the company's bid for offshore Block 23, with plans, if successful, to register a subsidiary company, Turkmen Aspect Energy, in Turkmenistan. Aspect simultaneously started making contacts with Turkmen state energy companies to advertise services that it is capable of providing. The company's plans were frustrated when the Turkmen Government decided to award a license for developing Block 23 to the German RWE AG (reftel). Nevertheless, Aspect has managed to make progress in other directions. The Turkmengeologiya (Turkmen Geology) State Concern showed interest in seismic data recording equipment, which Aspect is capable of delivering through one of its subsidiary companies, and is now considering the possibility of purchasing such equipment from Aspect. Turkmengeologiya is also looking at the possibility of contracting with another Aspect subsidiary, Acoustic Geophysical Services, for seismic data acquisition services on some parts of the South Yoloten gas field. An Acoustic Geophysical Services

representative visited Turkmenistan and made a field trip to the South Yoloten gas field to make a preliminary assessment of the possible project.

¶4. (SBU) The Acoustic Geophysical Services representative informed Embassy staff in a meeting that Turkmengeologiya is interested in finalizing a contract with Acoustic Geophysical Services in the shortest time possible. Turkmengeologiya will probably request from the Turkmen government, a waiver from the requirement that all service contracts should be awarded through a tender. According to a Turkmen oil and gas official, the Turkmen Government sometimes grants such waivers and authorizes state companies to do "sole source" contracts for technically sophisticated or time-sensitive projects that only one company can realistically implement.

¶5. (SBU) COMMENT: If Aspect Energy or its subsidiaries manage to sign the above-mentioned contracts, it would be a rare case of a foreign company concluding a contract without first having good contacts with top government officials. In addition to offering world-class technology, Aspect seems to have made its progress thanks to persistence in proposing its services and flexibility in discussing contract terms. Timing has also played a role in Aspect's progress as the Turkmen Government strives to develop the South Yoloten field as soon as possible. Turkmen state companies typically lack flexibility because their operations are strictly regulated and usually move very slowly with paperwork. Consequently, a foreign company's flexibility and

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persistence can be key factors, in addition to good contacts with top government officials, for its entry into the Turkmen market. END COMMENT.

MILES